

Supply and Demand

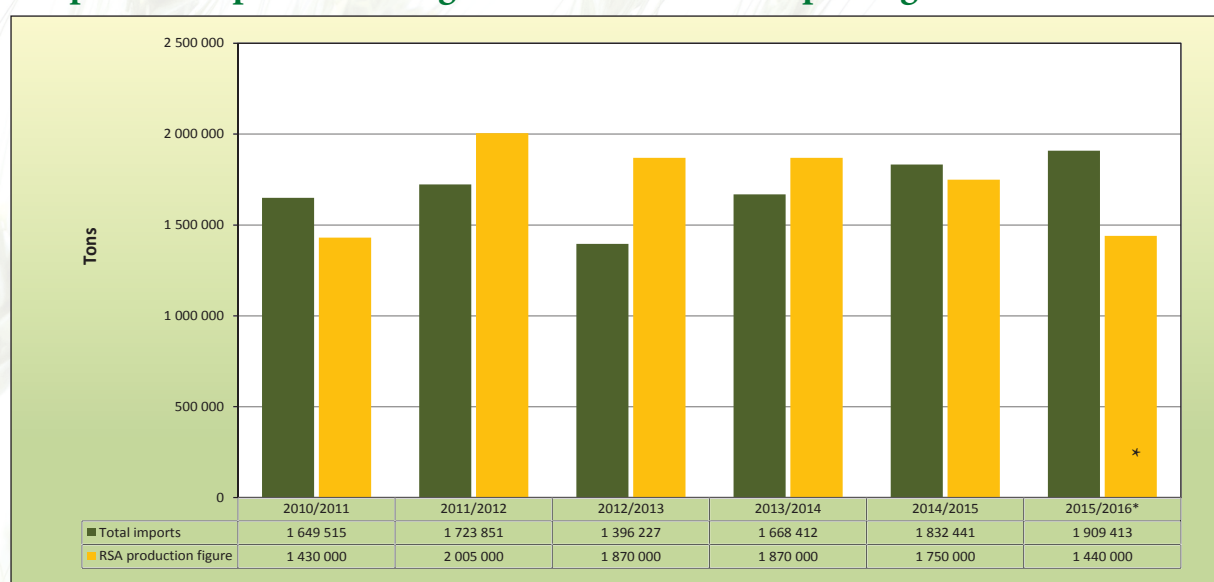
World wheat production for the 2015/2016 season is estimated at 734.80 million metric tons according to the *World Agricultural Supply and Demand Estimates (WASDE) report 557 of 12 September 2016*, world production for 2016/2017 is projected to be 744.85 million metric tons.

According to the *BFAP Baseline, Agricultural Outlook 2016 – 2025*, wheat area cultivated in the Western Cape is projected to increase in 2016 and 2017, consolidating at around 320 000 hectares towards 2025. The increasing trend in 2016 and 2017 is also expected with wheat produced under irrigation, while the summer rainfall area is projected to remain fairly constant during 2016 and 2017, declining marginally to 64 000 hectares by the end of the baseline period. By the same time, the irrigation area cultivated are expected to have declined somewhat to just more than 85 000 hectares.

South Africa is a net importer of wheat and relies on imports to supply the growing local demand. During the 2014/2015 season 1 832 441 tons of wheat were imported from mainly the Russian Federation (719 784 tons). Please see pages 78 to 95 for the quality of the wheat imported during 2014/2015. During the same period 274 255 tons of wheat from South Africa were exported to countries like Zimbabwe, Botswana and Zambia.

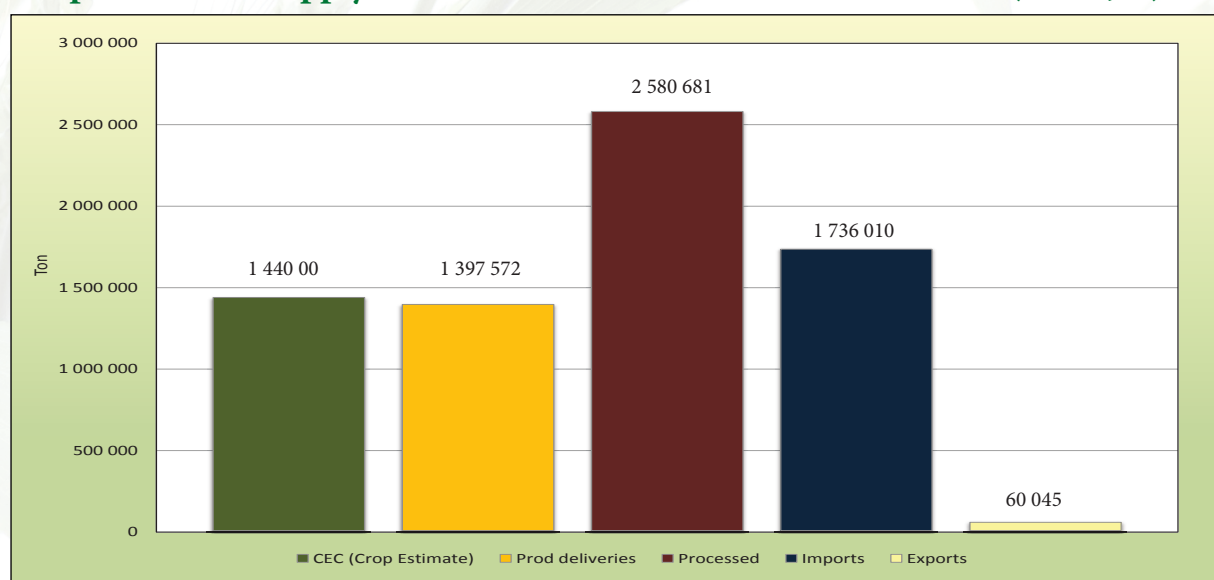
The amount of wheat imported for local consumption so far during the 2015/2016 marketing season, amounts to 1 909 413 tons according to SAGIS. This figure includes imports up until 2 September 2016. The marketing season commences on 1 October every year.

Graph 5: RSA production figure versus the total import figure over six seasons



*2015/2016 season figure includes imports up to 2 September 2016.

Graph 6: Wheat supply and demand overview 2015/2016 season (Oct - Jul)



Figures provided by SAGIS, (Publication date: 2016-08-24)